




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety has conducted an inspection of the mining operation noted below. This report documents observations concerning compliance with the terms of the permit and applicable rules and regulations of the Mined Land Reclamation Board.

MINE NAME: Pikeview Quarry	MINE/PROSPECTING ID#: M-1977-211	MINERAL: Limestone (general), granite, granite gneiss and dolomite	COUNTY: El Paso
INSPECTION TYPE: Monitoring	INSPECTOR(S): Timothy Cazier, P.E.	INSP. DATE: May 20, 2021	INSP. TIME: 10:05
OPERATOR: Continental Materials Corporation	OPERATOR REPRESENTATIVE: Jerry Schnabel	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$15,000,000.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 24, 2021	

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. No problems or possible violations were noted during the inspection. The mine operation was found to be in full compliance with Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials and/or for Hard Rock, Metal and Designated Mining Operations. Any person engaged in any mining operation shall notify the office of any failure or imminent failure, as soon as reasonably practicable after such person has knowledge of such condition or of any impoundment, embankment, or slope that poses a reasonable potential for danger to any persons or property or to the environment; or any environmental protection facility designed to contain or control chemicals or waste which are acid or toxic-forming, as identified in the permit.

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>N</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>Y</u>	

Y = Inspected / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This inspection was conducted by Tim Cazier (DRMS) as part of the regular monitoring program. Messrs. Russ Means and Michael Cunningham were also present representing the DRMS. The Permittee, Continental Materials Corporation (CMC) was represented by Mr. Jerry Schnabel during the inspection. Messrs. Paul Kos and Bruce Humphries (consultants) were also in attendance. Ms. Brit Haley was present for the onsite pre-inspection meeting representing the landowner (City of Colorado Springs). The Pikeview Quarry is accessed from near the intersection of Centennial Blvd. and Vindicator Dr. north of Colorado Springs. The quarry has ceased extraction of mined product and is actively focused on final reclamation. This is a 112c mine.

Availability of Records: Annual fees are paid through May 2021. The previous inspection was on November 5, 2020. Monthly reports summarizing geotechnical stability monitoring are provided to the DRMS. These will include construction status updates once the selected contractor mobilizes to the site later this year. The approved post-mine land use is wildlife habitat and recreation. There are no open infractions. Both the surface and minerals are privately owned.

Backfilling and Grading: The highwall is to be backfilled as describe in Amendment 4 (approved by the Mined Land Reclamation Board in June 2020). CMC has completed test pitting on the north end of the site, within the permit boundary to confirm there is sufficient backfill material to complete reclamation. They are also approved (TR-19) to import backfill material from offsite.

Financial Warranty: The DRMS holds a \$15,000,000 corporate surety bond. The approval of AM-04 reduced the required bond to \$13, 389,784. The DRMS processed and on January 11, 2021 approved a surety reduction to reduce the required bond to the latter amount. We have not yet received a rider from CMC's surety company reducing the bond. As such, the DRMS currently holds a \$1,610,216 excess surety for this site.

Fish and Wildlife: No impact to wildlife was observed. Bighorn sheep are common on the south end of the pit and were observed here during the inspection (see **Photo 1**).

Hydrologic Balance: No standing water was observed in the pit and no exposed groundwater was observed. A small pond has formed at the top of the highwall, away from the crest (see **Photo 2**). The DRMS and site representatives discussed whether the pond might contribute to potential sliding of the highwall. Based on the observed geology that the pond is confined to the granite and away from the crest it was determined to not likely present a meaningful risk. However, it was decided to improve the outlet of the pond such that the water level could not increase above the level observed during the inspection. Site representatives agreed with this assessment and committed to lowering the pond outlet, which directs overflow to the north end of the highwall.

Gen. Compliance with Mine Plan: The site is in final reclamation.

Off-site Damage: The operation appeared to be confined to the affected area boundary, based on Google Earth review and site observations.

Roads: Haul and access roads did not appear to be a source of sediment that could be tracked offsite. Road side ditches were clean.

Right of Entry: The property was sold to the City of Colorado Springs in 2020. The DRMS has been provided with a copy of the agreement with the city allowing CMC to continue reclamation.

Reclamation Success: No significant reclamation has been initiated since the approval of AM-04. However, CMC provided the DRMS with the following schedule under which reclamation is expected to proceed:

- Request For Proposals issued to qualified contractors – July 2021
- Notice of Award – August 2021
- Contractor mobilization Q3/Q4 2021
- Construction is expected to take 18-24 months

During the onsite meeting, Mr. Schnabel provided a detailed account of actions taken by CMC since the approval of AM-04 and how each is enabling CMC to move towards implementing the approved reclamation plan. As such, the DRMS will not pursue the enforcement actions indicated in our April at this time. CMC informed the DRMS that stockpiled product was still being sold through January of 2021. As the sale of material is considered mining activity, the requirement to complete reclamation within a five-year period started on February 1, 2021.

Revegetation: No new re-vegetation had been initiated since the previous inspection. Some emerging thistles (see **Photo 3**) were observed near the crest of the highwall. The specific species was indeterminate. Mr. Schnabel stated they were scheduling weed spraying a bit later than last year to better control the spread.

Sediment Control: No significant erosion problems were observed and no BMPs were needed at the time of the inspection.

Support Facilities On-site: The screen plant and crusher had been removed from the site. Some concrete foundations remain (see **Photo 4**).

Signs and Markers: The permit sign was properly posted and boundary markers were observed.

Permit Stipulations: There are no active permit stipulations.

Storm Water MGT Plan: No oil or fuel spills were observed. Stormwater ponds appeared to be functioning properly, but may soon require some sediment removal, notably Pond #514 (see **Photo 5**). The blocked culvert on the northwest corner of the site had been partially cleared (see **Photo 6**) and a small amount of daylight could be seen through the culvert. CMC was planning to hydraulically remove the remaining sediment and will inform the DRMS when this is completed.

Topsoil: CMC continues to mix mulch (see **Photo 7**) with soil on site to stockpile additional growth media for reclamation (see **Photo 8**).

Please contact Tim Cazier (303)866-3567 ext. 8169 or email at tim.cazier@state.co.us if you have any questions regarding this report.

PHOTOGRAPHS



Photo 1. Bighorn sheep on access road (south of pit, looking NE).



Photo 2. Pond above highwall – water source for wildlife.

PHOTOGRAPHS (cont.)



Photo 3. Possible musk thistle (above highwall).



Photo 4. Processing plant foundations (looking SE).

PHOTOGRAPHS (cont.)



Photo 5. Sediment pond 514 (TR-07 designation) likely to need maintenance soon.



Photo 6. Partially unblocked northwest culvert.

PHOTOGRAPHS (cont.)



Photo 7. Mulch used to mix with on-site soils.



Photo 8. Growth media stockpile (Area H, looking north).

Inspection Contact Address

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